

Market Snapshot



Wednesday, March 26, 2025

Quick Facts:

The Federal Reserve kept its target rate at 4.25-4.50% for the second consecutive meeting, reflecting its continued concerns about inflation. While inflation has dropped significantly from over 9.0% in 2022 to below 3.0%, it's stalled before reaching the Fed's 2.0% goal. At the same time, the economy remains strong with historically low unemployment and GDP growth above the long-term average. Since there is no urgent need for rate cuts, the Fed is addressing liquidity concerns by slowing the pace of its balance sheet reduction, lowering the monthly cap on U.S. Treasuries from \$25 billion to \$5 billion. The central bank will continue monitoring economic data, along with policy changes in trade, tariffs and fiscal stimulus, to guide future decisions.

For credit unions, the Fed's decision means high interest rates will persist, affecting loan demand and deposit strategies. Borrowing costs will remain elevated, which could slow mortgage, auto and personal loan growth. However, strong employment levels may help sustain consumer confidence and spending. The Fed's move to ease liquidity pressures in money markets could also impact credit unions' investment strategies and funding costs.

Dow Jones is up 0.50% YTD.

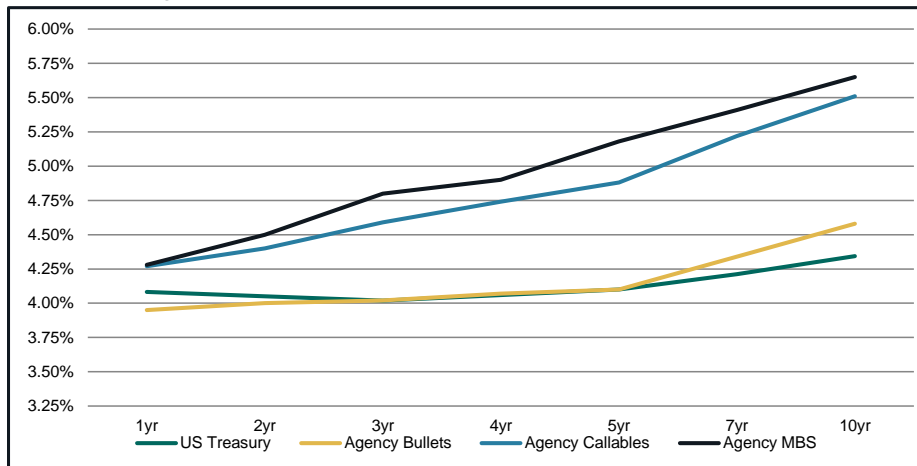
S&P 500 is down 1.98% YTD.

NASDAQ is down 6.31% YTD.

Rate Updates

	US Treasury	Change from 12/31/24	Agency Bullets	Change from 12/31/24	Agency Callables	Change from 12/31/24	Agency MBS	Change from 12/31/24
1yr	4.08%	-0.03%	3.95%	-0.18%	4.27%	-0.11%	4.28%	-0.48%
2yr	4.05%	-0.17%	4.00%	-0.22%	4.40%	-0.23%	4.50%	-0.38%
3yr	4.02%	-0.23%	4.02%	-0.26%	4.59%	-0.30%	4.80%	-0.35%
4yr	4.06%	-0.25%	4.07%	-0.24%	4.74%	-0.25%	4.90%	-0.33%
5yr	4.10%	-0.25%	4.10%	-0.27%	4.88%	-0.24%	5.18%	-0.32%
7yr	4.21%	-0.22%	4.34%	-0.24%	5.22%	-0.15%	5.41%	-0.26%
10yr	4.34%	-0.18%	4.58%	-0.15%	5.51%	-0.12%	5.65%	-0.22%

Treasury & Agency Curves



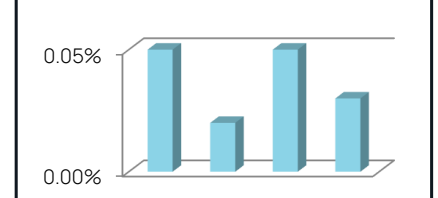
Index Update

	Current	Dec 2024	Change
SOFR	4.33%	4.37%	-0.04%
Fed Funds	4.31%	4.50%	-0.19%
IORB	4.40%	4.40%	0.00%
Prime	7.50%	7.50%	0.00%

Agency Bullets

	Current Yield	1 Yr Roll Down
2-Year	4.00%	0.05%
3-Year	4.02%	0.02%
4-Year	4.07%	0.05%
5-Year	4.10%	0.03%

Bullets 1 Year Roll-down



Agency Issuance

Callables	Yield
3yr NC1	4.59%
5yr NC1	4.88%
7yr NC1	5.22%
10yr NC1	5.51%

Steven Houle, CFA, FRM
VP/CO, Asset Management
shoule@catalystcorp.org
214.703.7882

Casey Peterson
Senior Advisor
cpeterson@catalystcorp.org
214.703.7883

Mark Wert
Senior Advisor
mwert@catalystcorp.org
214.703.7881

Loren Blake
Advisor
lblake@catalystcorp.org
214.703.7884

Chris Folse
Advisor
folsec@catalystcorp.org
214.703.7885